



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 24, 2002

### **H.R. 4623** **Child Obscenity and Pornography Prevention Act of 2002**

*As ordered reported by the House Committee on the Judiciary on June 18, 2002*

H.R. 4623 would establish new federal crimes and increase penalties for existing crimes relating to child pornography. CBO estimates that implementing the bill would not result in any significant cost to the federal government. Because enactment of H.R. 4623 could affect direct spending and receipts, pay-as-you-go procedures would apply to the bill; however, CBO estimates that any impact on direct spending and receipts would not be significant.

Because H.R. 4623 would establish new federal crimes, the government would be able to pursue cases that it otherwise would not be able to prosecute. CBO estimates that any increase in costs for law enforcement, court proceedings, or prison operations would not be significant because of the small number of additional cases likely to be affected. Any such costs would be subject to the availability of appropriated funds.

Since those prosecuted and convicted under H.R. 4623 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Collections of such fines are recorded in the budget as governmental receipts (revenues), which are deposited in the Crime Victims Fund and later spent. CBO expects that any additional receipts and direct spending would be negligible because of the small number of cases affected.

H.R. 4623 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The bill would impose a private-sector mandate, as defined in UMRA, by expanding reporting requirements on electronic communication service providers to include additional activities related to child pornography. Since those service providers are currently required to report many such activities violating the law, CBO estimates that the costs to report the additional activities would not exceed the annual threshold specified in UMRA (\$115 million in 2002, adjusted annually for inflation).

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs) and Jean Talarico (for the private-sector impact). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.